



Bank Notes

A Newsletter for Michigan Lenders

April 17, 2008

Issue 149

2008 SBA Lenders' Conference and Awards

A record 216 people attended our 10th Annual Michigan SBA Lenders' Conference on March 20th. This conference received very high marks, and we appreciate the contributions made by all of our guest speakers who added so much to our program.

Once again, the Michigan District Office presented its annual awards to SBA lenders for their outstanding performance in the previous fiscal year. Pictures of each award winner with District Director Richard Temkin are on page 4. This year's winners follow:

Chase – “Lender of the Year” Our traditional award for the best overall performance considering total volume, new markets, comparison with historical performance, etc. Chase approved 616 SBA loans worth more than \$36 million in fiscal 2007.

Capitol Bancorp – “PLP Lender of the Year” The most loans approved by a preferred lender. Capitol Bancorp approved 71 PLP loans.

Fifth Third Bank – “504 Lender of the Year” Best overall performance by a bank in support of 504 lending. This is the 4th year in a row Fifth Third Bank has won this award.

Peoples State Bank – “Community Lender of the Year” Best overall performance among Michigan-based non-PLP lenders. It considers total volume, new markets, comparison with historical performance, etc.

Chase – “SBAExpress Lender of the Year” Award for the lender which had the most SBAExpress loans. Chase approved 611 SBAExpress loans.

Comerica Bank – “New Markets Lender of the Year” Best overall performance in lending to new markets (minorities, women, and veterans), including the percentage of SBA loans that went to new markets and support for the full diversity of the population.

Peoples State Bank – “Business Development Lender of the Year” Award to the lender with at least 10 approvals in the prior year that had the largest percentage increase. Peoples State Bank's loans jumped from 12 in fiscal 2006 to 78 in fiscal 2007, an increase of 550%!

Fiscal 2008 Second Quarter Lending Report

Loan program activity through the second quarter of fiscal 2008 for the Michigan District Office is shown below. While 7(a) lending is down significantly, this is due entirely to a substantial decline in our SBA Express loans. On the other hand, 504 loans are up 28%. The 134% increase in “other 7(a) loans” reflects the successful impact of SBA's Standard 7(a) Loan Guaranty Processing Center. Loans to businesses owned by veterans and women are two important markets we continue to track. As always, we appreciate your support of SBA's loan guaranty programs.

Reminder - Michigan Lenders Web Site Available

Have you checked out Michigan's SBA's Lenders Web page at www.sba.gov/localresources/district/mi/mi_lenderspage.html? This site contains past and current issues of Bank Notes, press releases concerning the SBA loan programs and SBA Informational Notices.

	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>	<u>Change</u>
504 Loans	99	127	27%
SBA Express	1,471	781	-47%
PLP	205	193	-6%
Other 7(a) Loans	44	103	134%
Total 7(a) Loans	1,720	1,077	-37%
7(a) Dollars	\$193,319,000	\$160,239,000	-17%
504 Dollars	\$51,407,000	\$60,959,000	19%
Loans to Veterans	70	77	10%
Loans to Women	298	204	-32%



Michigan Celebrates Small Business

SBA's 2008 Michigan Small Business Person of the Year and champion awards, which are listed below, will be presented on April 24 during the fourth annual **Michigan Celebrates Small Business** awards dinner in Lansing. **Governor Jennifer Granholm** will be the keynote speaker at the premier event in Michigan to recognize the impact of small business and its critical importance to the state's economy. Efforts to grow and diversify Michigan's economy must include a strong and vibrant small business sector. For more information and to register, go to www.michigancelebrates.biz.

Michigan Small Business Person of the Year

Stephen A. Lowisz
President & CEO
Qualigence, Inc., Livonia

Michigan and Midwest Region Young Entrepreneurs of the Year

Ryan Gregg and Rishi Narayan
Owners
Underground Printing, Ann Arbor

Michigan Jeffrey Butland Family- Owned Small Business of the Year

Robert Roth
President & CEO
RoMan Manufacturing, Inc.
Grand Rapids

Michigan Financial Services Champion of the Year

Michael A. Semanco
President & COO
Hennessey Capital, LLC
Huntington Woods

Michigan Minority Business Champion of the Year

Raymond Lozano
Executive Director
Michigan Hispanic Chamber of
Commerce, Southfield

Michigan SBDC Service Excellence & Innovation Center Award

**Michigan Small Business and
Technology Development Center
Region 5 Team**
University Center

Michigan Small Business Counselor of the Year

James Rowley
Counselor
Michigan Small Business and
Technology Development Center
Region 5, University Center

Patriot Express

The Patriot Express loan initiative, designed to help our nation's veterans with their business financing needs, is growing in Michigan. Through April 11, 28 Patriot Express loans for more than \$3.5 million have been made by 14 lenders. Forty-eight lenders in Michigan, and more than 800 nationwide, have been approved to participate in Patriot Express. We appreciate the response to this new initiative, but ask all of our approved lenders to actively market Patriot Express loans to help this underserved segment of our small business community.

Patriot Express loans feature SBA's fastest turnaround time for loan approvals, and use a streamlined process similar to SBAExpress. However, Patriot Express loans are available up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less; and up to 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to take all available collateral.

Lenders that currently participate in the SBAExpress and PLP programs are eligible to make Patriot Express loans. Lenders that are not PLP or SBAExpress participants can contact Al Cook at allen.cook@sba.gov or Ken Kolasa at kenneth.kolasa@sba.gov to get the details on how to apply for Patriot Express authority.

Availability of Lender Window Decals

Three lender window decals are available for Michigan's SBA Preferred, SBAExpress, and Patriot Express Lenders.

To receive any of these window decals, please e-mail Allen Cook at allen.cook@sba.gov with the following information:

Type and number of decals needed (Preferred, Express and/or Patriot), company, contact name and address.

U.S. Small Business Administration

477 Michigan Avenue, Detroit, MI 48226

P (313) 226-6075; Fax (313) 226-4769; E-mail michigan@sba.gov

Michigan Lender's Web site www.sba.gov/localresources/district/mi/mi_lenderspage.html



Lenders Supporting the 504 Loan Program

Through the second quarter of fiscal 2008, under the 504 Loan Program we approved 127 loans worth over \$82 million. These loans were supported by 48 different third party lenders. The following lenders supported five or more 504 loans:

Lender	# of Loans
Chase	12
Bank of America	11
Citizens Bank	8
Fifth Third Bank	7
Capitol Bancorp	6
Zions First National Bank	6
Macatawa Bank	5
National City Bank	5

SBA's 504 Loan Program provides long-term, fixed rate, subordinated financing for acquisition and/or renovation of capital assets, including land, buildings, and equipment. With 504 financing, the typical financial structure consists of 10% from the borrower, 50% from the commercial lender, and 40% from the Certified Development Company (CDC). The CDC portion is provided by 100% SBA guaranteed debentures, and the **current interest rate for the 20 year bond is 6.34%.**

For more information, please contact one of the CDCs listed in the column to the right. These organizations specialize in packaging 504 loans and will manage the entire process to ensure it goes smoothly.

Revised Processing SOP 50-10(5) Released

SBA's fully revised loan processing SOP was released on March 19. The SOP has been trimmed from nearly 900 pages to less than 400. It is available on the SBA's Electronic Lending Web site at www.sba.gov/banking or on the Michigan District Office's Lender's Page at www.sba.gov/localresources/district/mi/mi_lenderspage.html.

A few samples of the changes include:

- Under **SBAExpress**, a lender may refinance its own debt to the applicant if regular refinancing requirements are met; the debt has been current for at least the last 36 months; and the lender's exposure to the applicant will not be reduced.
- Clarification that while the disbursement period must be stated in the Authorization and tailored to the loan, the loan must be fully disbursed within 48 months of the approval date. SBA will cancel any undisbursed balance beyond that date.
- Lender and borrower have the option to sign one SBA Form 1050 at initial disbursement instead of at each disbursement. (Subsequent documentation must be attached to the initial 1050).
- Clarification of SBA's environmental policies. New appendices have been added that provide additional guidance to lenders.

Michigan Certified Development Companies

Economic Development Foundation-Certified

Grand Rapids, (888) 330-1776

Lakeshore 504 - South Office

Holland, (616) 392-9633

Lakeshore 504 - North Office

Grand Haven, (616) 846-3153

Metropolitan Growth and Development Corporation

Detroit, (313) 224-0820

Michigan Certified Development Corporation

Lansing, (517) 886-6612

Oakland County Business Finance Corporation

Waterford, (248) 858-0765

SEM REsource Capital

Livonia, (734) 464-4418

SEM REsource Capital

Grand Rapids, (616) 242-5153

Bank Notes Distribution

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The process is easy. Simply go to Web page <http://web.sba.gov/list/>; scroll down and check the box entitled "Michigan Bank Notes Newsletter." Then scroll down and enter your name and e-mail address at the bottom of the page and hit the "Subscribe" button.



2008 SBA Lenders' Conference and Awards



Capitol Bancorp



Chase



Comerica Bank



Peoples State Bank



Fifth Third Bank



Group Shot of Our Winners

Congratulations to Our Award Winners!